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TAGS: [KPAO](#) [OPRC](#) [KMDR](#) [PREL](#) [MEDIA](#) [REACTION](#)

SUBJECT: USG-THE NEW YORK TIMES; MIDDLE EAST; US-PERUVIAN FTA;
MORALES TO BUENOS AIRES 06/29/06; BUENOS AIRES

1. SUMMARY STATEMENT

Today's key international stories include the confrontation between the USG and The New York Times newspaper over the newspaper's disclosure of the USG's alleged banking espionage; US supporting the Israeli offensive against the Palestinian territories aimed at rescuing an Israeli soldier; Peruvian ratification of an FTA with the US; and Bolivian President Evo Morales' visit to Buenos Aires to sign a gas deal with Argentine President Nestor Kirchner.

2. OPINION PIECES AND KEY STORIES

- "The New York Times charges Bush with power abuse"

Ana Baron, Washington-based correspondent for leading "Clarín," writes "Yesterday, The New York Times newspaper defended its decision to make public a White House program implemented to spy on international financial transactions.

"The revelation generated harsh criticism from (US President) Bush and members of the US Congress, who accused the newspaper of having damaged national security, aided terrorists and betrayed the motherland.

"However, yesterday, the New York Times' editors decided to fire back and accused Bush of abusing his power. They recalled that every government attempt to prosecute journalists for publishing information it preferred to keep quiet never turned out well. The example mentioned was the infamous 'Pentagon Papers,' during the Watergate scandal."

- "The US supports the offensive and the EU asks for Israel's 'cautiousness'"

Daily-of-record "La Nación" reports (06/29) "The US supported yesterday's offensive launched by the Israeli army in the Gaza Strip to rescue a soldier kidnapped by Palestinian militants last Sunday. The US stated that Israel has a 'right to defend itself.'

"However, Washington asked the Israeli government to assist Palestinian civilians and avoid the unnecessary destruction of Gaza's infrastructure.

"The US's open support for the operation differed from the reaction of the EU and the Arab countries, which were more critical of Israel. While the EU asked Israel to be 'cautious' and urged it to resume diplomatic talks to rescue the soldier, the Arab countries labeled the operation as 'an atrocious deed.'"

- "Almost without debate, the Peruvian Congress hurriedly approves an FTA with the US"

Angel Paez, on special assignment in Lima for leading "Clarín," writes (06/29) "At a speed that surprised President Alejandro Toledo himself, the (Peruvian) Congress ratified an FTA with the US in less than six hours by obtaining 79 votes in favor, 14 opposed, and seven abstentions."

"Last night, members of the National Agrarian Confederation, the National Union of Farmers, the General Workers Union, among other popular NGOs, demonstrated in downtown Lima against ratifying the US-Peruvian FTA. Among the demonstrators, there were some supporters of Humala..."

- "The Peruvian Congress approved an FTA with the US"

Business-financial "El Cronista" reports (06/29) "Yesterday the Peruvian Congress ratified an FTA with the US during a tense session, momentarily suspended when a group of elected legislators broke in and attempted to prevent a debate over the agreement."

"Thousands of farmers demonstrated along Lima streets with the motto 'Down with the US' in rejection of the approval of the FTA."

- "Kirchner and Morales sign a deal"

Jorge Elias, political columnist of daily-of-record "La Nación," writes (06/29) "Today, during a short visit to Argentina, Bolivian President Evo Morales will sign a gas deal that will include a rate increase, with President Nestor Kirchner..."

"...Morales will arrive in Buenos Aires at a good time: President Kirchner openly praised Morales and Venezuelan President Hugo Chavez after a shrouded reference to the US during a recent address to the Spanish House of Representatives."

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GUTIERREZ